

# South Carolina Vocational Rehabilitation Department

Barbara G. Hollis, Commissioner



## Our mission

is to enable eligible South Carolinians with disabilities to prepare for, achieve and maintain competitive employment. Last year **7,304** were rehabilitated into employment.

## Our success

has been shown in national statistics for many years; the agency has consistently ranked among the leaders in rehabilitations and cost-effectiveness among the nation's VR state programs.

### SCVRD in Federal FY2010:

Successful Employment Outcomes  
*Based on population*

**2<sup>nd</sup>** in Nation (Idaho), **1<sup>st</sup>** in Southeast

Cost Efficiency Per Client Rehabilitated

**2<sup>nd</sup>** in Nation (Vermont), **1<sup>st</sup>** in Southeast

## The program pays for itself

because our clients become taxpayers themselves after going to work rather than relying on government and other benefits. Many receive health insurance coverage through their new jobs and no longer rely on Medicaid and state assistance programs.

These new taxpayers (rehabilitated in FY10) will pay back **\$3.16** for every vocational rehabilitation dollar spent on them. They will realize an increase in their earnings by **\$11.26** for every \$1 of Vocational Rehabilitation Department funds invested in their rehabilitation. On average, they will repay the cost of their rehabilitation in **6 years**, and thereafter the annual rate of return for each successfully employed client averages **16 percent**.

## Win-Win for South Carolina

SCVRD clients who exit the program with a successful outcome:

- are now receiving a paycheck
- enhance their quality of life
- gain independence from reliance on government benefits
- stimulate the state's economy by paying taxes, making purchases, and ultimately contributing to the state's return on investment



## SCVRD: Vocational Rehabilitation Works for South Carolina

- SCVRD's sole purpose is to help people with disabilities go to work. More than 7,300 became employed last year. Through employment VR clients enhance their quality of life, gain independence from reliance on government benefits, and stimulate the state's economy by paying taxes and making purchases.
- Successfully employed clients repay the cost of their rehabilitation in 6 years and will pay back more than \$3 in taxes for every VR dollar spent on their rehabilitation.
- The agency has the second lowest cost per rehabilitation among all of the nation's state VR programs and its total number of successful employment outcomes is ranked second nationally in proportion to state population.

### **SCVRD State Appropriations Since 2000:**

Year                      State Base

**2000-2001              \$ 17,166,344**

**2011-2012              \$ 8,479,941 (lowest level since 1980)**

- **41% base reduction since FY2009 and 50.6% base reduction since FY2001**
- **\$10.7 million in federal funds relinquished due to MOE or match deficits\***

**\* \$6 million was relinquished by SCVRD due to match shortfall for FFY 2011**

### **2012 Summary:**

Total Match Requirement

### **State Funding**

\$ 13,091,857

### **Federal Impact**

**2012 State Level (Base & CRF)**

**\$ 10,979,941**

**loss of \$7.8 million**

### **2013 Request:**

Total Match Requirement

### **State Funding**

\$ 13,091,857

### **Federal Award**

\$ 48,379,174 allotted

At Current State Base Level

\$ 8,479,941

\$ 31,331,989 accessed

**Requested Additional Funds**

**\$ 4,613,787**

**\$ 17,047,185 remaining allotment**

### **Impact on Program:**

- The number of successful employment outcomes for VR clients has declined from 9,099 in 2001 to 7,304 in 2011. That is a 20 percent decrease.
- That reduction in successfully employed people with disabilities translates into the loss of a conservative estimate of \$14.6 million in increased annual earnings for those potential clients.
- SCVRD's inability to maintain staffing levels, especially at itinerant sites, has led to a decrease in new people entering the program from 21,035 in 2008 to 17,500 in 2011. That is a decrease of nearly 17 percent. The total number of people served dropped from 47,545 in 2009 to 41,723 in 2011 (14 percent decrease).
- SCVRD is now unable to draw down the dollars allotted to the state (nearly \$4 federal for each state dollar) for helping people with disabilities become employed, including the vital school-to-work population. These are not Medicaid dollars. The federal funds relinquished by SC are re-allotted to other states for VR services.

## South Carolina Vocational Rehabilitation Department

### Proviso Requests 2012-2013

No new provisos are requested. However, SCVRD has recommended changes to two of its existing provisos as follows:

#### Proviso 20.1

(Production Contracts Revenue) All revenues derived from production contracts earned by ~~the handicapped trainees of the Evaluation and Training Facilities (Workshops)~~ people with disabilities receiving job readiness training at the agency's Work Training Centers may be retained by the State Agency of Vocational Rehabilitation and used in the facilities for Client Wages and any other production costs; and further, any excess funds derived from these production contracts may be used for other operating expenses and/or permanent improvements of these facilities.

#### *Explanation/Justification:*

*These amendments would only update the language used in referring to our agency's clients and its work training centers to more appropriately describe and identify them. There would be no fiscal impact.*

#### Proviso 20.3

(Basic Support Program Reconciliation) ~~The General Assembly hereby directs the Department of Vocational Rehabilitation to complete a reconciliation of the cost to operate the Basic Support program related to the combination of state and federal funds available following the close of each federal fiscal year. Such reconciliation shall begin with the federal fiscal year ending September 30, 1989. Federal funds participation for that period shall be applied at the maximum allowable percentage and the level of those funds on hand which have resulted from the over participation of state funds shall be remitted to the general fund within one hundred twenty days following the close of the federal fiscal year. This reconciliation and subsequent remission to the general fund shall be reviewed by the State Auditor to ensure that appropriate federal/state percentages are applied. It is the intent of the General Assembly that federal/state percentages budgeted and appropriated shall in no way be construed as authorization for the department to retain the federal funds involved.~~

#### *Explanation/Justification:*

*This proviso refers to a reconciliation of costs to operate SCVRD's Basic Services program in light of the combination of state and federal funds available. This proviso was written prior to the Federal Cash Management Act, which substantially limits federal balances in state accounts. Also, since the proviso was written, both the federal and state governments have permitted carry-over of funds from one year to the next. These two factors have substantially reduced any relevance for this proviso. There would be no fiscal impact with its deletion, which the agency recommends.*